

**UNIFIED SCHOOL DISTRICT NO. 432,
VICTORIA, KANSAS**

**FINANCIAL STATEMENT
AND INDEPENDENT AUDITORS' REPORT**

For the Year Ended June 30, 2013

**UNIFIED SCHOOL DISTRICT NO. 432
VICTORIA, KANSAS**

For the Year Ended June 30, 2013

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VICTORIA, KANSAS**

For the Year Ended June 30, 2013

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GUDENKAUF & MALONE, INC.

Shareholder

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Shareholder

James Malone, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 432
Victoria, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 432, Victoria, Kansas, a Municipality, as of and for the year ended June 30, 2013 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note A to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with the standards generally accepted in the United States of America, and the Kanas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also included evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 432, Victoria, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 432 as of June 30, 2013, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

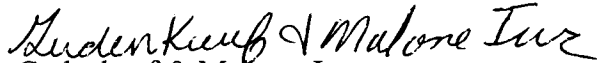
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 432 as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2013 fund summary statement of regulatory basis of receipts, expenditures, and unencumbered cash balances (basis financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedules of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedule 1,2, 3, and 4 as listed in the table of contents) are presented for purpose of additional analysis and are not a required part of the 2013 basis financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note A.

The 2012 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and are not a required part of the 2012 basic financial statement upon which we rendered an unqualified opinion dated October 10, 2012. The 2012 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2012 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 comparative information was subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedure, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 comparative information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note A.


Gudenkauf & Malone, Inc.

October 10, 2013

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis
For the Year Ended June 30, 2013

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ -	\$ -	\$ 1,957,764	\$ 1,957,764	\$ -	\$ -	\$ -
Local Option	58,732	-	666,531	679,655	45,608	6,773	52,381
Special Purpose Fund							
Capital outlay	317,274	-	373,932	448,416	242,790	28,318	271,108
Driver training	20	-	-	-	20	-	20
Food service	15,179	-	173,653	181,292	7,540	-	7,540
Inservice education	-	-	1,000	1,000	-	-	-
Special education	17,745	-	323,154	323,998	16,901	-	16,901
Vocational education	-	-	72,177	72,177	-	-	-
Recreation fund	2,335	-	46,000	45,204	3,131	-	3,131
At-Risk	-	-	58,721	58,721	-	-	-
KPERS	-	-	150,510	150,510	-	-	-
Gift fund-playground	12,036	-	1,554	10,243	3,347	-	3,347
Title I, Title II	-	-	31,536	31,536	-	-	-
REAP	-	-	20,638	20,638	-	-	-
Bond Proceeds	57,905	-	-	57,905	-	-	-
Athletics	8,012	-	35,557	35,455	8,114	-	8,114
School projects	16,059	-	18,471	22,373	12,157	-	12,157
Bond and Interest							
Bond and Interest	628,562	-	514,855	424,307	719,110	-	719,110
Total Reporting Entity (Excluding Agency Funds)	\$ 1,133,859	\$ -	\$ 4,446,053	\$ 4,521,194	\$ 1,058,718	\$ 35,091	\$ 1,093,809
						Money market Checking Certificate of Deposit Total Cash Agency Funds Per Statement 4	\$ 931,177 166,721 15,000 1,112,898 (19,089)
						Total Reporting Entity (Excluding Agency Funds)	\$ 1,093,809

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Unified School District No. 432 is a municipal corporation governed by an elected seven-member board. The District has oversight responsibility for other governmental entities (related municipal entities) since the other entities are considered to be controlled by, or dependent on, the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing boards.

The District's financial statement includes only the accounts of the primary government and not its related municipal entity.

The following related municipal entity has not been examined by certified public accountants.

Recreation Commission. USD No. 432 Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

Regulatory Basis Fund Types

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Funds – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, student activity funds, etc.).

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligation to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenue and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Reimbursements

A reimbursement is an expenditure or expense initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, Unified School District No. 432 records an expenditure (or expense) in the reimbursing fund and a reduction of expenditure (or expense) in the reimbursed fund, following the authoritative guidance of the *Governmental Accounting, Auditing and Financial Reporting*.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Property Tax

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on property on November 1 of each year. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current operation of the school district and therefore are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY -
CONTINUED

2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Gift Fund – Playground, Title I, Title II, Title II-A, Title IV, REAP, Bond Proceeds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY -
CONTINUED

Compliance with Kansas Statute

USD 432 has no cash or budget statute violations.

NOTE C – DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods," when required coverage is 50%. The District has not designated any "peak periods." All deposits were legally secured at June 30, 2013.

At June 30, 2013, the District's carrying amount of deposits was \$1,112,898 and the bank balance was \$1,405,863. The difference between the carrying amount and the bank balance is outstanding checks or deposits. The bank balance was held by 2 banks resulting in a concentration of credit risk. Of the bank balance, \$433,099 was covered by federal depository insurance, \$972,763 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE C – DEPOSITS AND INVESTMENTS - CONTINUED

Custodial credit risk- investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D – INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Special Education	K.S.A. 72-6420	\$ 211,792
Local Option	Special Education	K.S.A. 72-6420	110,444
Local Option	Food Service	K.S.A. 72-5119	27,117
General	Inservice Education	K.S.A. 72-9605	1,000
General Fund	Food Service	K.S.A. 72-5119	5,000
General Fund	At Risk (K-12)	K.S.A. 72-6414a	58,721
Local Option	Vocational Education	K.S.A. 72-6421	72,177

NOTE E – OPERATING LEASE

The District leased three copiers from ESSDACK. The lease is non-cancelable with a five-year term. The monthly lease payments are \$172 each. The future minimum rental payments for each year will be \$6,192. The total minimum lease amount will be \$30,960. The remaining payments that the District is responsible for as of June 30, 2013 are \$6,192.

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS -
CONTINUED

Termination Benefits.

Unified School District No. 432 has implemented a plan for eligible employees of the District to receive benefits upon making an election to take early retirement. Early retirement is entirely voluntary and at the discretion of an eligible employee.

An employee is eligible for early retirement if the following conditions are met:

1. The employee is currently a full-time employee of the District
2. The employee is eligible for full retirement benefits under KPERS and is not more than 65 years of age.
3. The employee has fifteen years or more of employment service with the District.
4. The employee has twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERS).

It shall be the responsibility of the employee to provide all the facts and information necessary to prove eligibility for early retirement. An employee may apply for early retirement by giving written notice to the Superintendent of Schools on or before the first day of April preceding the anticipated retirement date. Such written notice shall include the following information:

1. A statement of the applicant's desire to take early retirement.
2. The anticipated date of retirement and their date of birth.
3. The number of years applicant has been employed by the school district.
4. The total number of years of service credit recognized by KPERS

Failure to request early retirement by April 1 shall not exclude the candidate, if the Board of Education chooses to give approval, even though the deadline may not have been met.

Following final action on any application by the Board of Education for early retirement, the Superintendent shall notify the applicant in writing of the final disposition.

For certified employees, the amount of payment to the retiree who is 58 years of age or older shall be the equivalent of \$415 per month until the participant reached the age of 62 years and then \$150 per month from the age 62 to 65 years of age.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS -
CONTINUED

If any certified employee chooses to retire before 58 years of age the payment will be figured in the following manner: Take the amount a person could receive from 58 to 62 years of age (\$19,920) and divide this amount by the number of months from the eligible retirement date until they reach the age of 62 years old. Payment from age 62 to 65 years old will be \$150 a month.

For classified employees, the amount of payment to the retiree who is 58 years old or older shall be the equivalent of \$275 per month until the participant reaches the age of 62 years and then \$100 per month from the age 62 to 65 years of age.

If any classified employee chooses to retire before 58 years of age the payments will be figured in the following manner: Take the amount a person could receive from 58 to 62 years of age (\$13,200) and divide this amount by the number of months from the eligible retirement date until they reach the age of 62 years old. Payment from age 62 to 65 years old will be \$100 a month.

If death should occur to the participant during this agreement, the Board of Education will honor said agreement to the participant's spouse only for months that would have remained until the participant would have reached the age of 65.

The early retirement benefit shall be payable by the school district in the following manner: The benefit may be applied toward a membership in the school district's health insurance policy, or it may be taken in cash on a monthly basis, or it may be taken as a combination of the two. If any of the payment is to be made in cash, the payment shall be made each month or in a lump sum each year; for one year at a time in the discretion of the Board of Education.

Early retirement benefits paid for the year ending June 30, 2012, were \$17,887. The following is a schedule by years of future payments under the District's early retirement plan for the years ending June 30:

2013	18,013
2014	13,127
2015	10,263
2016	8,412
2017	4,456
Thereafter	<u>13,941</u>
Total	\$ 68,212

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS -
CONTINUED

Compensated Absences

All employees of the District will be paid up to \$38 per day for any unused sick leave days upon retirement, resignation, death, or other reasons for terminating employment. The employee may take this remuneration as: (1) a lump sum, (2) as monthly payments on a health insurance policy carried by the District at the rate of no more than a single premium, if retiring, or (3) it may be applied to the employee's salary in the last year of employment, if retiring, provided the employee has declared their intent by June 1 preceding their last year. In the event the remuneration has not been paid out by the District by the time the employee reaches age 65, the employee will be given the remainder in a lump sum payment. In the event that options (2) or (3) above are selected, this policy must meet all legal requirements at the time of separation.

The maximum amount of remuneration one can receive is listed below:

<u>Years of Service</u>	<u>Amount</u>
1 to 10	\$ 13.50 per day
11 to 15	18.75 per day
16 to 20	24.00 per day
21 to 25	29.25 per day
26 to 30	34.50 per day
31 +	38.00 per day

All employees of the District receive 12 days of sick leave each year. The certified employees, principals and the superintendent may accumulate the sick leave to 125 days. The custodians, clerk, and secretaries may accumulate sick leave to 70 days. The cooks and paraprofessionals may accumulate sick leave to 50 days.

The twelve month employees of the District, including Central Office secretaries, custodians, and the school superintendent, are entitled to paid vacations

NOTE G – DEFINED BENEFIT PENSION PLAN

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE G – DEFINED BENEFIT PENSION PLAN - CONTINUED

information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

NOTE H – CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government. As of October 10, 2013, grant expenditures have not been audited, but the district believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the district.

The District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2012 to 2013 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material financial impact on the district.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2013

NOTE I – RELATED PARTIES

In a governmental entity, related parties include members of the governing body, board members, administrative officials, and immediate families of administrative officials, board members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowances and similar items incurred in the ordinary course of operations.

2013

City of Victoria
Melissa Schmidt, Clerk
spouse is an employee.

\$9,035

NOTE J – SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statements of subsequent events occurring through October 10, 2013 which is the date at which the financial statements were available to be issued.

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE K- LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2013, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2008	5.80%	11/15/2008	\$ 3,500,000	9/1/2019	3,025,000	\$ -	\$ 315,000	2,710,000	\$ 109,308
Capital Leases:									
Apple Computer, Inc.	5.72%	6/10/2010	\$ 235,956	8/1/2014 *	110,897	-	53,977	56,920	5,781
2010 Blue Bird Bus	4.40%	6/8/2009	\$ 153,518	6/8/2015	68,477	-	21,850	46,627	3,013
Total Long-Term Debt					<u>\$ 3,204,374</u>	<u>\$ -</u>	<u>\$ 390,827</u>	<u>\$ 2,813,547</u>	<u>\$ 118,102</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year					
	2014	2015	2016	2017	2018	2019-2021 Total
PRINCIPAL						
G.O. Bonds	\$ 325,000	\$ 350,000	\$ 375,000	\$ 400,000	\$ 410,000	\$ 850,000
Capital Lease - Apple Computer, Inc.	-	56,920	-	-	-	-
2010 Blue Bird Bus	22,812	23,815	-	-	-	-
TOTAL PRINCIPAL	<u>347,812</u>	<u>430,735</u>	<u>375,000</u>	<u>400,000</u>	<u>410,000</u>	<u>850,000</u>
INTEREST						
G.O. Bonds	97,701	85,045	71,733	57,383	41,788	34,296
Capital Lease - Apple Computer, Inc.	-	2,838	-	-	-	-
2010 Blue Bird Bus	2,052	1,048	-	-	-	-
TOTAL INTEREST	<u>99,753</u>	<u>88,931</u>	<u>71,733</u>	<u>57,383</u>	<u>41,788</u>	<u>393,884</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 447,565</u>	<u>\$ 519,666</u>	<u>\$ 446,733</u>	<u>\$ 457,383</u>	<u>\$ 451,788</u>	<u>\$ 884,296</u>
						<u>\$ 3,207,431</u>

* - The fiscal year end 6/30/13 payment was made June 30, 2012.

**UNIFIED SCHOOL DISTRICT NO. 432,
VICTORIA, KANSAS**

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2013

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
General Fund						
General	\$ 1,975,035	\$ (17,271)	\$ -	\$ 1,957,764	\$ 1,957,764	\$ -
Local option	679,655	-	-	679,655	679,655	-
Special Purpose Fund						
Capital outlay	556,000	-	-	556,000	448,416	(107,584)
Food service	181,293	-	-	181,293	181,292	(1)
Inservice education	1,000	-	-	1,000	1,000	-
Special education	348,748	-	-	348,748	323,998	(24,750)
Vocational education	81,656	-	-	81,656	72,177	(9,479)
Recreation	45,204	-	-	45,204	45,204	-
At Risk	58,721	-	-	58,721	58,721	-
Bond and Interest						
Bond and Interest	424,308	-	-	424,308	424,307	(1)
Total budgeted funds	\$ 4,351,620	\$ (17,271)	\$ -	\$ 4,334,349	\$ 4,192,534	\$ (141,815)

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

GENERAL FUND

		2013		Variance
	2012	Actual	Budget	Over (Under)
Cash receipts				
General property taxes				
Ad valorem property taxes	\$ 784,930	\$ 837,803	\$ 816,070	\$ 21,733
Delinquent tax	8,859	13,489	12,211	1,278
Intergovernmental revenues				
State equalization aid	889,183	844,085	898,851	(54,766)
Mineral production tax	43,499	50,595	-	50,595
ARRA Education Job Fund	925	-	-	-
Special education aid	224,218	211,792	229,097	(17,305)
Total cash receipts	1,951,614	1,957,764	\$ 1,956,229	\$ 1,535
Expenditures and transfers subject to legal max budget				
Instruction				
Certified salaries	751,721	786,763	807,692	(20,929)
Certified salaries - ARRA Ed Job	925	-	-	-
Early Retirement	9,353	11,594	-	11,594
Non-certified salaries	67,985	37,102	30,870	6,232
Employee insurance	195,652	203,575	214,108	(10,533)
Social security	59,688	60,378	61,218	(840)
Other employee benefit	9,561	6,303	6,830	(527)
Purchased professional/technical services	2,274	4,024	2,300	1,724
Tuition	378	1,465	425	1,040
General supplies (teaching)	3,738	2,051	185	1,866
Textbooks	910	-	-	-
Student activities	17,053	10,316	10,000	316
Other	1,180	7,445	1,200	6,245
Total instruction	1,120,418	1,131,016	1,134,828	(3,812)
After school				
Non-certified salaries	11,037	9,183	-	9,183
Social security	789	691	-	691
Unemployment compensation	10	9	-	9
Other	(11,736)	(11,027)	-	(11,027)
Total after school	100	(1,144)	-	(1,144)

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

GENERAL FUND - CONTINUED

		2013		Variance
	2012	Actual	Budget	Over (Under)
Expenditures and transfers - continued				
Student support services				
Certified salaries	41,784	42,655	42,655	-
Non-Certified salaries	31,300	31,571	31,571	-
Employee insurance	15,720	16,527	17,166	(639)
Social security	5,224	5,308	5,290	18
Other employee benefit	362	403	363	40
Purchased professional/technical services	595	442	610	(168)
Supplies	654	791	660	131
Total student support services	95,639	97,697	98,315	(618)
Instruction support staff				
Certified salaries	17,630	18,004	18,005	(1)
Non-Certified salaries	28	-	600	(600)
Employee insurance	5,069	4,893	5,466	(573)
Social security	1,097	1,160	1,127	33
Other employee benefit	153	200	154	46
Books/periodicals	971	105	200	(95)
Audiovisual/instructional software	1,821	3,885	1,700	2,185
Miscellaneous supplies	1,053	3,402	1,100	2,302
Total instruction support staff	27,822	31,649	28,352	3,297
General administration				
Certified salaries	84,480	84,480	84,480	-
Non-certified salaries	23,429	23,436	23,710	(274)
Employee insurance	23,858	25,478	23,860	1,618
Social security	7,775	7,791	7,797	(6)
Other employee benefit	549	603	552	51
Purchased professional/technical services	9,180	9,063	9,200	(137)
Insurance	22,688	7,817	17,000	(9,183)
Communications	3,827	3,297	3,900	(603)
Other purchased services	4,635	2,271	4,800	(2,529)
Property	495	-	-	-
Supplies	1,845	1,492	1,900	(408)
Other	6,069	6,026	6,700	(674)
Total general administration	188,830	171,754	183,899	(12,145)

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

GENERAL FUND - CONTINUED

		2013		Variance
	2012	Actual	Budget	Over (Under)
Expenditures and transfers - continued				
School administration				
Certified salaries	130,536	133,123	153,453	(20,330)
Early Retirement	4,052	3,864	-	3,864
Non-certified salaries	41,025	41,092	41,846	(754)
Employee insurance	42,470	45,508	45,385	123
Social security	12,447	12,669	12,438	231
Other employee benefit	897	940	898	42
Communications	3,085	2,788	3,200	(412)
Other purchased services	1,633	3,696	1,500	2,196
Supplies	513	371	525	(154)
Total school administration	236,658	244,051	259,245	(15,194)
Transfers				
Food service fund	12,880	5,000	-	5,000
Professional Development	1,000	1,000	1,000	-
At-Risk fund	41,580	58,721	40,299	18,422
Special education fund	224,218	211,791	229,097	(17,306)
Total transfers	279,678	276,512	270,396	6,116
Preschool				
Certified	16,400	16,836	-	16,836
Social security	1,255	1,288	-	1,288
Other employee benefits	16	16	-	16
Other	(15,202)	(11,911)	-	(11,911)
Total preschool	2,469	6,229	-	6,229
Total expenditures and transfers subject to legal max budget	1,951,614	1,957,764	1,975,035	-
Adjustment to comply with legal max	-	-	(17,271)	(17,271)
Legal general fund budget	\$ 1,951,614	\$ 1,957,764	\$ 1,957,764	\$ (34,542)
Receipts over (under) expenditures	-	-	-	-
Unencumbered cash, beginning	-	-	-	-
Unencumbered cash, ending	\$ -	\$ -	-	-

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

LOCAL OPTION FUND

		2013		Variance Over (Under)
	2012	Actual	Budget	
Cash receipts				
Ad valorem tax	\$ 635,783	\$ 610,625	\$ 7,834	\$ 602,791
Delinquent tax	9,102	10,790	9,864	926
Motor vehicle tax	39,190	41,731	28,287	13,444
Recreational vehicle tax	1,092	1,163	666	497
16/20M vehicle tax	1,812	2,222	-	2,222
Total cash receipts	686,979	666,531	\$ 46,651	\$ 619,880
Expenditures and transfers				
Instructional				
Certified Salaries	66,281	26,599	57,513	(30,914)
Social security	4,808	1,930	5,130	(3,200)
Unemployment	60	24	61	(37)
Insurance	8,086	2,983	-	2,983
Other	2,034	2,783	2,100	683
Tuition	-	10	-	10
Total instruction	81,269	34,329	64,804	(30,475)
General administration				
Insurance	-	11,238	-	11,238
Other	-	5,213	-	5,213
Total general administration	-	16,451	-	16,451
Operation and maintenance				
Non-certified	149,674	150,347	146,672	3,675
Insurance	45,450	47,094	47,176	(82)
Social security	10,887	11,127	10,896	231
Other employee benefits	7,406	7,114	7,500	(386)
Water/sewer	9,409	8,983	10,350	(1,367)
Snow Plowing	330	2,220	125	2,095
Heating	23,469	28,904	24,641	4,263
Cleaning	1,932	1,773	2,300	(527)
Repairs	6,777	6,593	3,000	3,593
Rental services	1,008	1,035	1,024	11
Other purchased services	366	6,349	425	5,924
Supplies	18,372	17,294	17,000	294
Electricity	49,161	51,165	54,078	(2,913)
Motor fuel	1,627	1,345	1,700	(355)
Total operation and maintenance	325,868	341,343	326,887	14,456

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

LOCAL OPTION FUND - CONTINUED

		2013		Variance
	2012	Actual	Budget	Over (Under)
Expenditures and transfers - continued				
Vehicle Operating Services and Maintenance				
Non-certified	9,473	9,426	9,500	(74)
Social security	715	681	718	(37)
Other employee benefits	313	435	315	120
Mileage in lieu of transportation	38,732	43,278	39,000	4,278
Insurance	1,890	2,591	1,900	691
Motor fuel	14,187	15,064	14,500	564
Other	4,094	6,053	3,000	3,053
Other purchased services	174	-	175	(175)
Supplies	-	266	1,200	(934)
Total vehicle operating services	69,578	77,794	70,308	7,486
Transfers				
Food service	17,969	27,117	35,000	(7,883)
Special education	118,912	110,444	101,000	9,444
Vocational education	74,436	72,177	81,656	(9,479)
Total transfers	211,317	209,738	217,656	(7,918)
Total expenditures and transfers subject to legal max budget	688,032	679,655	679,655	-
Adjustment to comply with legal max	-	-	-	-
Legal local option fund budget	688,032	679,655	679,655	-
Receipts over expenditures	(1,053)	(13,124)		
Unencumbered cash, beginning	59,785	58,732		
Prior-year cancelled encumbrances	-	-		
Unencumbered cash, ending	\$ 58,732	\$ 45,608		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

CAPITAL OUTLAY FUND

		2013		Variance
	2012	Actual	Budget	Over (Under)
Cash receipts				
General property tax				
Ad valorem property tax	\$ 321,986	\$ 343,573	\$ 365,637	\$ (22,064)
Delinquent tax	3,679	5,399	7,507	(2,108)
Motor vehicle tax	15,198	17,647	18,114	(467)
Recreational tax	423	492	426	66
16-20M Vehicle tax	853	871	-	871
Other				
Interest	498	400	-	400
Other	23,209	5,550	-	5,550
Total cash receipts	365,846	373,932	\$ 391,684	\$ (17,752)
Expenditures and transfers				
Instruction	82,403	207,825	250,000	(42,175)
Instructional support staff	14,320	17,345	75,000	(57,655)
General administration	1,899	1,632	10,000	(8,368)
Student support staff	1,741	13,072	10,000	3,072
Operations and maintenance	12,682	122,726	100,000	22,726
Equipment & Buses	26,026	58,294	100,000	(41,706)
Site Improvement Services	83,099	17,212	6,000	11,212
Repair and remodeling building	3,985	8,247	5,000	3,247
Custodians	815	2,055	-	2,055
Social Security	61	8	-	8
Total expenditures and transfers	227,031	448,416	\$ 556,000	\$ (107,584)
Receipts over (under) expenditures	138,815	(74,484)		
Unencumbered cash, beginning	178,459	317,274		
Unencumbered cash, ending	\$ 317,274	\$ 242,790		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****DRIVER TRAINING FUND**

	2012	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
State aid	\$ -	\$ -	\$ -	\$ -
Total cash receipts	-	-	\$ -	\$ -
Expenditures				
Instruction				
Salaries	-	-	-	-
Social security	-	-	-	-
Other employee benefit	-	-	-	-
Total instruction	-	-	-	-
Vehicle operation and maintenance				
Motor fuel	-	-	-	-
Other	-	-	-	-
Total vehicle operation/maintenance	-	-	-	-
Total expenditures	-	-	\$ -	\$ -
Receipts (under) expenditures	-	-		
Unencumbered cash, beginning	20	20		
Unencumbered cash, ending	\$ 20	\$ 20		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

FOOD SERVICE FUND

		2013		Variance
	2012	Actual	Budget	Over (Under)
Cash receipts				
Intergovernmental revenues				
State aid	\$ 1,687	\$ 1,836	\$ 1,528	\$ 308
Federal aid	39,502	53,934	38,111	15,823
Other revenues				
Lunch/breakfast - students	79,738	79,136	81,035	(1,899)
Lunch sales - adults	5,493	6,630	5,440	1,190
Interest	-	-	5,000	(5,000)
Transfer from general fund	12,880	5,000	-	5,000
Transfer from local option	17,969	27,117	35,000	(7,883)
Total cash receipts	157,269	173,653	\$ 166,114	\$ 7,539
Expenditures				
Food service operation				
Salaries	53,660	54,122	53,631	491
Employee insurance	22,679	19,770	22,759	(2,989)
Social security	3,682	3,724	3,733	(9)
Other employee benefits	1,949	1,549	1,950	(401)
Other purchased services	565	3,323	6,000	(2,677)
Food and milk	84,328	93,122	87,920	5,202
Miscellaneous supplies	4,894	4,422	4,900	(478)
Other	414	1,260	400	860
Total food service operation	172,171	181,292	181,293	(1)
Total expenditures	172,171	181,292	\$ 181,293	\$ (1)
Receipts over (under) expenditures	(14,902)	(7,639)		
Unencumbered cash, beginning	30,081	15,179		
Unencumbered cash, ending	\$ 15,179	\$ 7,540		

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

INSERVICE EDUCATION FUND

		2013		Variance
	2012	Actual	Budget	Over (Under)
Cash receipts				
Transfer from general fund	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Total cash receipts	<u>1,000</u>	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Expenditures				
Support services				
Purchased professional/technical services	390	882	420	462
Books and periodicals	177	-	130	(130)
Other purchased services	<u>433</u>	<u>118</u>	<u>450</u>	<u>(332)</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>
Receipts over expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****SPECIAL EDUCATION FUND**

		2013		Variance
	2012	Actual	Budget	Over (Under)
Cash receipts				
Other Revenue	\$ 1,357	\$ 918	\$ 2,000	\$ (1,082)
Transfer from local option fund	118,912	110,444	101,000	9,444
Transfer from general fund	<u>224,218</u>	<u>211,792</u>	<u>229,097</u>	<u>(17,305)</u>
Total cash receipts	<u>344,487</u>	<u>323,154</u>	<u>\$ 332,097</u>	<u>\$ (8,943)</u>
Expenditures				
Instruction				
Payment to Special Ed. Co-op	<u>337,904</u>	<u>316,210</u>	<u>339,541</u>	<u>(23,331)</u>
Total instruction	<u>337,904</u>	<u>316,210</u>	<u>339,541</u>	<u>(23,331)</u>
Vehicle operating service				
Salaries	4,202	4,180	4,300	(120)
Social security	289	288	290	(2)
Other employee benefits	4	4	4	-
Insurance	212	414	200	214
Telephone	63	81	-	81
Other purchased services	99	163	2,150	(1,987)
Motor fuel	1,943	2,026	2,000	26
Supplies	210	382	200	182
Other	<u>63</u>	<u>250</u>	<u>63</u>	<u>187</u>
Total vehicle operating service	<u>7,085</u>	<u>7,788</u>	<u>9,207</u>	<u>(1,419)</u>
Total expenditures	<u>344,989</u>	<u>323,998</u>	<u>\$ 348,748</u>	<u>\$ (24,750)</u>
Receipts (under) expenditures	(502)	(844)		
Unencumbered cash, beginning	<u>18,247</u>	<u>17,745</u>		
Unencumbered cash, ending	<u>\$ 17,745</u>	<u>\$ 16,901</u>		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

VOCATIONAL EDUCATION FUND

		2013		Variance
	2012	Actual	Budget	Over (Under)
Cash receipts				
Transfer from local option fund	\$ 74,436	\$ 72,177	\$ 81,656	\$ (9,479)
Total cash receipts	<u>74,436</u>	<u>72,177</u>	<u>\$ 81,656</u>	<u>\$ (9,479)</u>
Expenditures				
Instruction				
Certified salaries	61,617	58,378	63,764	(5,386)
Employee insurance	7,528	7,939	12,399	(4,460)
Social security	4,620	4,375	4,784	(409)
Other employee benefits	58	56	59	(3)
General supplies	<u>613</u>	<u>1,429</u>	<u>650</u>	<u>779</u>
Total expenditures	<u>74,436</u>	<u>72,177</u>	<u>\$ 81,656</u>	<u>\$ (9,479)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	<u>-</u>	<u>-</u>		
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****RECREATION FUND**

	2012	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
General property taxes				
Ad valorem tax	\$ 40,035	\$ 42,947	\$ 495	\$ 42,452
Delinquent tax	459	681	933	(252)
Motor vehicle tax	1,900	2,202	2,262	(60)
Recreation tax	53	61	54	7
16/20M vehicle tax	106	109	-	109
Total cash receipts	<u>42,553</u>	<u>46,000</u>	<u>\$ 3,744</u>	<u>\$ 42,256</u>
Expenditures				
Recreation commission appropriation	<u>41,530</u>	<u>45,204</u>	<u>\$ 45,204</u>	<u>\$ -</u>
Receipts over (under) expenditures	1,023	796		
Unencumbered cash, beginning	<u>1,312</u>	<u>2,335</u>		
Unencumbered cash, ending	<u>\$ 2,335</u>	<u>\$ 3,131</u>		

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****AT RISK FUND (K-12)**

	2012	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Interest on Idle Funds	\$ -	\$ -	\$ 2,000	\$ (2,000)
Transfer from general fund	41,580	58,721	40,299	18,422
Total cash receipts	41,580	58,721	42,299	16,422
Expenditures				
Certified salaries	24,032	34,821	40,903	(6,082)
Non-certified salaries	4,085	9,955	5,734	4,221
Social security	1,895	3,117	2,292	825
Other employee benefits	11,568	10,828	7,766	3,062
Other purchased services	-	-	26	(26)
Tuition	-	-	2,000	(2,000)
Total expenditures	41,580	58,721	58,721	-
Receipts over expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

SCHEDULE OF RECEIPTS AND EXPENDITURES**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****KPERS**

	<u>2012 Actual</u>	<u>2013 Actual</u>
Cash receipts		
KPERS	\$ <u>172,812</u>	\$ <u>150,510</u>
Cash expenditures		
Employee benefits	<u>172,812</u>	<u>150,510</u>
Total expenditures	<u>172,812</u>	<u>150,510</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF RECEIPTS AND EXPENDITURES**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****GIFT FUND - PLAYGROUND**

	2012 Actual	2013 Actual
Cash receipts		
Revenue from local sources	\$ 1,668	\$ 1,554
Cash expenditures		
Other Purchased Services	-	970
Textbooks	-	1,680
Property	-	5,140
Supplies	-	2,268
Other	-	185
Total expenditures	-	10,243
Receipts over (under) expenditures	1,668	(8,689)
Unencumbered cash, beginning	10,368	12,036
Unencumbered cash, ending	\$ 12,036	\$ 3,347

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

TITLE I, TITLE II

	2012 Actual	2013 Actual
Cash receipts		
Federal aid	\$ 33,947	\$ 31,536
Total Receipts	<u>33,947</u>	<u>31,536</u>
Expenditures		
Instruction		
Certified salaries	20,400	20,535
Non-certified salaries	6,102	4,877
Employee insurance	5,033	3,746
Social security	2,031	1,889
Other employee benefits	25	139
Purchased Prof & Tech Services	<u>356</u>	<u>350</u>
Total instruction	<u>33,947</u>	<u>31,536</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

RURAL SCHOOL ACHIEVEMENT PROGRAM (REAP)

	2012 Actual	2013 Actual
Cash receipts		
Federal aid	\$ 23,078	\$ 20,638
Expenditures		
Instruction support staff		
Certified Salaries	5,146	4,683
Social Security	387	353
Employee Benefits	5	4
Purchased Professional and Tech Services	6,343	1,983
Supplies	100	-
Other	127	4,600
Books and periodicals	10,200	8,585
Purchased professional services	250	430
Other	520	-
Total expenditures	23,078	20,638
Receipts over expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	\$ -	\$ -

SCHEDULE OF RECEIPTS AND EXPENDITURES**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****BOND PROCEEDS**

	2012 Actual	2013 Actual
Cash receipts		
FEMA Grant	\$ -	\$ -
Other Source Grants	-	-
Interest	78	-
Total cash receipts	78	-
Expenditures		
Property/Equipment	59,642	-
Services	243,463	57,905
Total expenditures	303,105	57,905
Receipts over expenditures	(303,027)	(57,905)
Unencumbered cash, beginning	360,932	57,905
Unencumbered cash, ending	\$ 57,905	\$ -

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the year ended June 30, 2013

With comparative actual amounts for the year ended June 30, 2012

ATHLETICS

	2012 Actual	2013 Actual
Cash receipts		
High school	\$ 42,698	\$ 35,557
Total cash receipts	42,698	35,557
Expenditures		
High school	41,016	35,455
Total expenditures	41,016	35,455
Receipts over expenditures	1,682	102
Unencumbered cash, beginning	6,330	8,012
Unencumbered cash, ending	\$ 8,012	\$ 8,114

SCHOOL PROJECTS

	2012 Actual	2013 Actual
Cash receipts		
Grade school	\$ 21,987	\$ 18,471
Total cash receipts	21,987	18,471
Expenditures		
Grade school	23,050	22,373
Total expenditures	23,050	22,373
Receipts over expenditures	(1,063)	(3,902)
Unencumbered cash, beginning	17,122	16,059
Unencumbered cash, ending	\$ 16,059	\$ 12,157

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****For the year ended June 30, 2013****With comparative actual amounts for the year ended June 30, 2012****BOND AND INTEREST**

		2013		Variance
	2012	Actual	Budget	Over (Under)
Cash receipts				
Ad Valorem and Delinquent Tax	\$ 561,851	\$ 472,192	\$ 6,936	\$ 465,256
Delinquent Tax	6,635	8,597	13,094	(4,497)
Motor Vehicle Tax	31,465	31,602	32,393	(791)
16/20 Motor Vehicle	-	1,584	-	1,584
Rec Vehicle Tax	837	880	762	118
Total Receipts	600,788	514,855	53,185	461,670
Expenditures				
Principal	295,000	315,000	315,000	-
Interest	119,540	109,307	109,308	(1)
Total Expenditures	414,540	424,307	424,308	(1)
Receipts over expenditures	186,248	90,548		
Unencumbered cash, beginning	442,314	628,562		
Unencumbered cash, ending	\$ 628,562	\$ 719,110		

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the year ended June 30, 2013

STUDENT ORGANIZATION FUNDS

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>High School</u>				
Dance team	\$ 387	\$ 35	\$ -	\$ 422
Pep club	3,030	611	773	2,868
Skills USA	1,472	414	720	1,166
National honor society	502	889	966	425
FBLA	123	5	-	128
V-Club	367	397	302	462
Football	-	400	400	-
Cross Country	640	2,901	2,225	1,316
Girls Basketball	108	1,012	1,023	97
Boys Basketball	23	-	23	-
Student council	980	15,101	14,695	1,386
FCCLA club	7,011	27,653	29,709	4,955
SADD	1,220	10	69	1,161
Project prom	447	-	-	447
Interest/Web	1,984	984	1,324	1,644
Track Grant	1,528	351	1,041	838
Project	1,447	327	-	1,774
	<u>\$ 21,269</u>	<u>\$ 51,090</u>	<u>\$ 53,270</u>	<u>\$ 19,089</u>
Total student organization funds	\$ 21,269	\$ 51,090	\$ 53,270	\$ 19,089

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Unencumbered cash July 1, 2012	Revenues	Expenditures	Unencumbered cash June 30, 2013
<u>U.S. Department of Agriculture</u>						
Passed through Kansas State						
Board of Education:						
National School lunch program	10.555	3530-3500	\$ -	\$ 38,408	\$ 38,408	\$ -
School breakfast program	10.553	3530-3500 3529-3490	- -	9,033 6,493	9,033 6,493	- -
Total food assistance			-	53,934	53,934	-
<u>U.S. Department of Education</u>						
Passed through Kansas State						
Board of Education:						
Title I	84.010	3532-3520	-	18,844	18,844	-
Title II	84.367	3526-3860	-	12,692	12,692	-
Total all funds			\$ -	\$ 85,470	\$ 85,470	\$ -

UNIFIED SCHOOL DISTRICT NO. 432, VICTORIA, KANSAS

SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2013

General state aid	\$ 847,103
School food assistance	1,836
KPERS	150,510
Special education services	<u>211,792</u>
Total state financial assistance	<u>\$ 1,211,241</u>